

State of Alaska FY2015 Governor's Operating Budget

Department of Revenue Unclaimed Property Component Budget Summary

Component: Unclaimed Property

Contribution to Department's Mission

The mission of the Unclaimed Property program is to administer Alaska's Uniform Unclaimed Property Act (AS 34.45).

Core Services

- Receive and account for unclaimed property in the form of cash, securities, and safe deposit boxes from companies, organizations (profit and non-profit) and government agencies throughout the United States in accordance with Alaska's Unclaimed Property Act
- Provide services to reunite owners, heirs or legal representatives with their unclaimed property
- Determine entitlement by analyzing statutes, court orders, legal cases, and reviewing evidence
- Promote unclaimed property reporting
- Account for and post liability accruals such as; mergers, splits, dividends, security proceeds and interest

Major Component Accomplishments in 2013

- Established an audit/compliance/outreach position to educate holders and owners about Alaska's Uniform Property Unclaimed Act.
- Transferred \$5.0 million into the state general fund for FY2013 collections in excess of refunds. Since the inception of the program in 1986, a total of \$89 million has been transferred to the state general fund from the Unclaimed Property Trust account.
- During the past five years 72,181 accounts, totaling \$21 million dollars has been returned to current or former Alaska owners and businesses.
- During the past five years \$20.25 million has been transferred to the general fund.

Key Component Challenges

- Align unclaimed property practices with banking and business transactions utilizing electronic deposits, payments, and debit cards for credit balances, payroll, and social services programs. Re-evaluate last known contact other than a mailing address.
- Productivity and move towards paperless environment, via secure online report, and remit payment portal.
- Online claim verifications and process payments electronically.
- New property types such as Health Savings and College Savings Plans create challenges in establishing procedures that will not diminish the property value under Federal Tax laws for early withdrawals and transfers.
- Identity theft and fraud contribute to the challenges of determining and validating entitlement to unclaimed property accounts.
- 258,892 property accounts are held in trust, totaling \$34.5 million dollars

Significant Changes in Results to be Delivered in FY2015

No changes in results delivered.

Statutory and Regulatory Authority

AS 34.45 Alaska's Uniform Unclaimed Property Act

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**Unclaimed Property
Component Financial Summary**

All dollars shown in thousands

	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	320.9	384.0	394.5
72000 Travel	4.6	8.2	8.2
73000 Services	118.8	59.6	49.3
74000 Commodities	4.4	7.7	7.7
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	448.7	459.5	459.7
Funding Sources:			
1004 General Fund Receipts	267.4	275.3	275.4
1005 General Fund/Program Receipts	181.3	184.2	184.3
Funding Totals	448.7	459.5	459.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
General Fund Program Receipts	51060	181.3	184.2	184.3
Restricted Total		181.3	184.2	184.3
Total Estimated Revenues		181.3	184.2	184.3

**Summary of Component Budget Changes
From FY2014 Management Plan to FY2015 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2014 Management Plan	275.3	184.2	0.0	0.0	459.5
Adjustments which will continue current level of service:					
-Reverse Alaska State Employees Association One-Time Payment Sec22f Ch14 SLA2013 (HB65) and Sec12 Ch15 SLA2013 (HB66)	-1.0	-1.0	0.0	0.0	-2.0
-FY2015 Salary Increases	1.7	1.6	0.0	0.0	3.3
-FY2015 Health Insurance and Working Reserve Rate Reductions	-0.6	-0.5	0.0	0.0	-1.1
FY2015 Governor	275.4	184.3	0.0	0.0	459.7

Unclaimed Property Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2014 Management Plan	FY2015 Governor		
Full-time	4	4	Annual Salaries	251,100
Part-time	0	0	COLA	3,362
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	152,227
			<i>Less 3.00% Vacancy Factor</i>	(12,189)
			Lump Sum Premium Pay	0
Totals	4	4	Total Personal Services	394,500

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	0	0	2	0	2
Unclaimed Property Agent	0	0	1	0	1
Unclaimed Property Manager	0	0	1	0	1
Totals	0	0	4	0	4

Component Detail All Funds
Department of Revenue

Component: Unclaimed Property (AR15150) (2938)
RDU: Taxation and Treasury (510)

	FY2013 Actuals	FY2014 Conference Committee	FY2014 Authorized	FY2014 Management Plan	FY2015 Governor	FY2014 Management Plan vs FY2015 Governor	
71000 Personal Services	320.9	367.1	369.1	384.0	394.5	10.5	2.7%
72000 Travel	4.6	8.2	8.2	8.2	8.2	0.0	0.0%
73000 Services	118.8	74.5	74.5	59.6	49.3	-10.3	-17.3%
74000 Commodities	4.4	7.7	7.7	7.7	7.7	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	448.7	457.5	459.5	459.5	459.7	0.2	0.0%
Fund Sources:							
1004Gen Fund (UGF)	267.4	274.3	275.3	275.3	275.4	0.1	0.0%
1005GF/Prgm (DGF)	181.3	183.2	184.2	184.2	184.3	0.1	0.1%
Unrestricted General (UGF)	267.4	274.3	275.3	275.3	275.4	0.1	0.0%
Designated General (DGF)	181.3	183.2	184.2	184.2	184.3	0.1	0.1%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	4	4	4	4	4	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Revenue

Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2014 Conference Committee To FY2014 Authorized *****												
FY2014 Conference Committee												
	ConfCom	457.5	367.1	8.2	74.5	7.7	0.0	0.0	0.0	4	0	0
1004 Gen Fund		274.3										
1005 GF/Prgm		183.2										
Alaska State Employees Association One-Time Payment Sec22f Ch14 SLA2013 (HB65) and Sec12 Ch15 SLA2013 (HB66)												
	Atrin	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1.0										
1005 GF/Prgm		1.0										
The Alaska State Employees Association, representing the general government unit, negotiated a lump sum payment of \$755 less mandatory deductions, per employee in pay status on July 1, 2013. The lump sum will be paid in the second pay period of August 2013.												
Subtotal		459.5	369.1	8.2	74.5	7.7	0.0	0.0	0.0	4	0	0
***** Changes From FY2014 Authorized To FY2014 Management Plan *****												
Align Authority to Reallocate for Spending Plan												
	LIT	0.0	14.9	0.0	-14.9	0.0	0.0	0.0	0.0	0	0	0
The Unclaimed Property Program is transferring \$14.9 from contractual services to personal services to reduce its vacancy factor and cover the cost of the Unclaimed Property Agent position, which will conduct audits and analyze contract auditor audits to verify compliance with Alaska's Unclaimed Property statutes. Funds are available in contractual services due to less agency expenditures in services than anticipated.												
Subtotal		459.5	384.0	8.2	59.6	7.7	0.0	0.0	0.0	4	0	0
***** Changes From FY2014 Management Plan To FY2015 Governor *****												
Reverse Alaska State Employees Association One-Time Payment Sec22f Ch14 SLA2013 (HB65) and Sec12 Ch15 SLA2013 (HB66)												
	OTI	-2.0	-2.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1.0										
1005 GF/Prgm		-1.0										
Reverse one-time funding for a negotiated lump sum payment to employees in the general government unit, represented by the Alaska State Employees Association, in pay status on July 1, 2013.												
FY2015 Salary Increases												
	SalAdj	3.3	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1.7										
1005 GF/Prgm		1.6										

Change Record Detail - Multiple Scenarios with Descriptions
Department of Revenue

Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Cost of living allowance for certain bargaining units: \$3.3												
Year two cost of living allowance for Alaska State Employees Association/General Government Unit - 1%: \$2.1												
Year two cost of living allowance for Alaska Public Employees Association/Supervisory Unit - 1%: \$1.2												
FY2015 Health Insurance and Working Reserve Rate Reductions												
	SalAdj	-1.1	-1.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-0.6										
1005 GF/Prgm		-0.5										
FY2015 budget reduction for decrease in the AlaskaCare health insurance premium and working reserve rates: \$-1.1												
Working reserve rate decrease from 3.94% to 3.56%: Leave Cash-In = 2.17%, Terminal Leave = 1.03%, Unemployment Insurance = 0.36% : \$-0.9												
AlaskaCare health benefit decrease from \$1,389 to \$1,371: \$-0.2												
Align Authority to Comply with Vacancy Factor Guidelines												
	LIT	0.0	10.3	0.0	-10.3	0.0	0.0	0.0	0.0	0	0	0
This will bring personal services within vacancy factor guidelines and align authority with anticipated expenditure levels. There are no impacts on services associated with this transfer.												
Totals		459.7	394.5	8.2	49.3	7.7	0.0	0.0	0.0	4	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2015 Governor (11059)
Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
04-3053	Accounting Tech II	FT	A	GP	Juneau	205	14O / P	12.0		67,798	908	0	39,804	108,510	108,510
04-3202	Unclaimed Property Agent	FT	A	GP	Juneau	205	15B / C	12.0		50,337	674	0	33,883	84,894	84,894
04-3232	Unclaimed Property Manager	FT	A	SS	Juneau	205	18N / O	12.0		88,521	1,185	0	46,655	136,361	136,361
04-8049	Accounting Tech II	FT	A	GP	Juneau	205	14A / B	12.0		44,444	595	0	31,885	76,924	76,924
Total													Total Salary Costs:	251,100	
Positions													Total COLA:	3,362	
Full Time Positions:													Total Premium Pay:	0	
Part Time Positions:													Total Benefits:	152,227	
Non Permanent Positions:															
Positions in Component:													Total Pre-Vacancy:	406,689	
													Minus Vacancy Adjustment of 3.00%:	(12,189)	
													Total Post-Vacancy:	394,500	
Total Component Months: 48.0													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	394,500	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	216,981	210,477	53.35%
1005 General Fund/Program Receipts	189,708	184,023	46.65%
Total PCN Funding:	406,689	394,500	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Revenue
Travel

Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

Line Number	Line Name		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
72000	Travel		4.6	8.2	8.2
Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
72000 Travel Detail Totals			4.6	8.2	8.2
72110	Employee Travel (Instate)	Instate airfare, surface transportation, lodging, meals & incidentals	0.0	0.9	0.9
72410	Employee Travel (Out of state)	Out of state airfare, surface transportation, lodging, meals & incidentals	4.6	7.3	7.3

Line Item Detail
Department of Revenue
Services

Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

Line Number	Line Name			FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000	Services			118.8	59.6	49.3
Expenditure Account Servicing Agency Explanation				FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000 Services Detail Totals				118.8	59.6	49.3
73025	Education Services		Training, conferences, memberships, and employee tuition	11.6	0.0	0.0
73150	Information Technlgy		Software maintenance for unclaimed property system, WAGERS.	25.5	0.0	0.0
73156	Telecommunication		Local, long distance, cellular and telecommunications equipment charges; data/network charges	0.2	0.0	0.0
73650	Struc/Infstruct/Land		Repairs, maintenance of structures or infrastructure; room or space rental	1.1	0.0	0.0
73675	Equipment/Machinery		Repairs, maintenance, rentals and/or leases of office furniture and equipment	2.2	0.0	0.0
73750	Other Services (Non IA Svcs)		Other services such as program management/consulting, printing/copying	3.9	0.0	0.0
73805	IT-Non-Telecommunication	Admin	ETS chargeback for computer services (including EPR, MICS charges for mainframe usage, and VPN)	2.4	0.0	0.0
73806	IT-Telecommunication	Admin	ETS chargeback for telecommunications EPR, line fees and service requests	6.2	0.0	0.0
73809	Mail	Admin	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	5.1	1.1	0.0
73810	Human Resources	Admin	Human resource and payroll services provided by the Division of Personnel	2.5	2.5	0.0
73811	Building Leases	Admin	State facility rent	20.3	20.3	20.3
73812	Legal	Admin	Legal services	0.0	0.1	0.0
73814	Insurance	Admin	Risk Management	0.1	0.1	0.0
73815	Financial	Admin	Division of Finance AKSAS/AKPAY	2.2	2.2	0.0
73816	ADA Compliance	Labor	ADA compliance	0.0	0.1	0.0
73827	Safety (IA Svcs)	Admin	Building security	0.2	0.2	0.0

Line Item Detail
Department of Revenue
Services

Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor	
73000 Services Detail Totals			118.8	59.6	49.3	
73979	Mgmt/Consulting (IA Svcs)	DOR-ASD	Administrative Services Division support including fiscal, budget, IT, contract management, and procurement	35.3	29.8	29.0
73979	Mgmt/Consulting (IA Svcs)	DOR-CO	Commissioner's Office support services	0.0	3.2	0.0

Line Item Detail
Department of Revenue
Commodities

Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

Line Number	Line Name		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
74000	Commodities		4.4	7.7	7.7
Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
74000 Commodities Detail Totals			4.4	7.7	7.7
74200	Business	Business supplies including books and educational; equipment and furniture; office supplies; desktop computers, printers and IT equipment less than \$5,000 per item; and subscriptions including electronic access to information	4.4	7.7	7.7

Restricted Revenue Detail
Department of Revenue

Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

Master Account	Revenue Description	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
51060	General Fund Program Receipts	181.3	184.2	184.3

Detail Information					FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund			
55500	Other Prog Rec GF		04702150	11100	181.3	184.2	184.3

Program receipts are received from the Unclaimed Property Trust to support the operation of the Unclaimed Property Program. All funds received as unclaimed property are deposited into the Unclaimed Property Trust account in the general fund. Amounts received from property holders exceed refunds to owners because not all unclaimed property owners are located. A minimum balance is maintained in the trust account and excess funds are periodically transferred to the general fund. This program was transferred to its own component in FY2010.

Inter-Agency Services
Department of Revenue

Component: Unclaimed Property (2938)
RDU: Taxation and Treasury (510)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2013 Actuals	FY2014		
					Management Plan	FY2015 Governor	
73805	IT-Non-Telecommunication	ETS chargeback for computer services (including EPR, MICS charges for mainframe usage, and VPN)	Inter-dept	Admin	2.4	0.0	0.0
73805 IT-Non-Telecommunication subtotal:					2.4	0.0	0.0
73806	IT-Telecommunication	ETS chargeback for telecommunications EPR, line fees and service requests	Inter-dept	Admin	6.2	0.0	0.0
73806 IT-Telecommunication subtotal:					6.2	0.0	0.0
73809	Mail	Central mailroom services including pick up and delivery of U.S. mail, postage, mailing of state warrants	Inter-dept	Admin	5.1	1.1	0.0
73809 Mail subtotal:					5.1	1.1	0.0
73810	Human Resources	Human resource and payroll services provided by the Division of Personnel	Inter-dept	Admin	2.5	2.5	0.0
73810 Human Resources subtotal:					2.5	2.5	0.0
73811	Building Leases	State facility rent	Inter-dept	Admin	20.3	20.3	20.3
73811 Building Leases subtotal:					20.3	20.3	20.3
73812	Legal	Legal services	Inter-dept	Admin	0.0	0.1	0.0
73812 Legal subtotal:					0.0	0.1	0.0
73814	Insurance	Risk Management	Inter-dept	Admin	0.1	0.1	0.0
73814 Insurance subtotal:					0.1	0.1	0.0
73815	Financial	Division of Finance AKSAS/AKPAY	Inter-dept	Admin	2.2	2.2	0.0
73815 Financial subtotal:					2.2	2.2	0.0
73816	ADA Compliance	ADA compliance	Inter-dept	Labor	0.0	0.1	0.0
73816 ADA Compliance subtotal:					0.0	0.1	0.0
73827	Safety (IA Svcs)	Building security	Inter-dept	Admin	0.2	0.2	0.0
73827 Safety (IA Svcs) subtotal:					0.2	0.2	0.0
73979	Mgmt/Consulting (IA Svcs)	Administrative Services Division support including fiscal, budget, IT, contract management, and procurement	Intra-dept	DOR-ASD	35.3	29.8	29.0
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office support services	Intra-dept	DOR-CO	0.0	3.2	0.0
73979 Mgmt/Consulting (IA Svcs) subtotal:					35.3	33.0	29.0
Unclaimed Property total:					74.3	59.6	49.3
Grand Total:					74.3	59.6	49.3